

MARKET EXAMINATIONS FLOWCHART

TARGETING PROCESS (Issue or Company Specific)

Target Approval

- Target Memorandum proposed by MOD Analysis Staff
- Memorandum reviewed by MOD Examinations Staff
- Target Memorandum Reviewed by Market Oversight Administrator ("MOA")
- Routed to Deputy Director For Potential Approval
- Deputy Director discusses with Director as appropriate
- Memorandum Routed back to MOD Examinations Staff if Approved
- Memorandum Routed to MOD Analysis Staff if disapproved or requires modifications.

EXAMINATION PROCESS

MOD Examinations Staff Pre-Examination Functions

- Enter Company Information into ETS and MOD Exam Databases
- Send Call Letter to Company and Charge Letter to Examiners
- EIC opens dialogue w/Company Contact
- Create work plan and time/expense budget
- Data Requests, Interrogatories, and Procedures Review
- Make Determination whether to Perform On-Site Examination

MOD Examinations Staff Examination Functions

- Entrance Meeting
- On-Site File and Procedure Review
- Issue Criticisms
- Examination Supervisor/EIC Prepares Examination Status Reports for Market Oversight Administrator's review
- Exit Meeting

MOD Examinations Staff Post-Examination Functions

- EIC Prepares Examination Report
- Examination Supervisor Reviews Report and Discusses With MOA
- Ten-day Letter sent to Company Representative
- Company Objections Received
- EIC Replies to Objections
- Examination Supervisor Recommends Resolution of Examination to MOA

RESOLUTION AND ENFORCEMENT

MOD Resolution Process

- Examinations Supervisor follows procedures for Consent Order, Letter Agreement, or Filed-As-Is resolution.
- Resolution Document Amended, If Necessary, and Routed To MOA and Deputy Director For Approval
- Director copied on Examination Summary and Recommendations.
- Examination Supervisor mails proposed resolution document to Company Representative for execution (if applicable).
- Negotiations may be necessary to resolve examination.
- Executed Document Received and Routed To Director for issuance.
- Filed Document Routed To MOD Examinations Supervisor
- Enter information into RIRS database
- DOI may initiate contested proceeding if no negotiated resolution.

Enforcement

- Examinations Supervisor sends letter to Company representative that details requirements of resolution document and gives specific deadlines for action plans, payments to be made and other required compliance.
- Materials submitted are reviewed and if incomplete or insufficient, Company is given an extension to submit additional materials.
- Compliance Verified and a closing letter is sent to the Company